

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 CAB-02 ISO-00 SSO-00 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02
FAA-00 SS-15 NSC-05 NSCE-00 H-01 L-03 INRE-00
/055 R

DRAFTED BY: EB/AN:WARLIEY
APPROVED BY: EUR:JARMITAGE
EB/AN:RABROWN
CAB:RMILLER
EUR/EE:SFROMOWITZ
EUR/EE:NGANDREWS

-----132117Z 053963 /64/75

O R 102137Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY BUCHAREST IMMEDIATE
INFO AMEMBASSY PARIS

C O N F I D E N T I A L STATE 134946

PARIS FOR R. SCISSORS, CIVAIR ATTACHE CONF

C O R R E C T E D C O P Y - NBRD PARA 5 SUB PARA 4 LINE 5
OMITTED

E.O. 11652: GDS

TAGS: EAIR, RO

SUBJECT: CIVAIR: EXTENSION OF AIR TRANSPORT AGREEMENT

REF: BUCHAREST 4297

1. DEPARTMENT IS HEARTENED BY APPARENT GOR RESPONSE TO
EMBASSY INITIATIVE REQUESTING EXEMPTION OF PAN AM FROM
DECREE 81. HOPEFULLY, EMBASSY CAN OBTAIN OFFICIAL CONFIR-
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MATION OF ARGUS MESSAGE (REFTEL).

2. REGARDING EXTENSION OF AIR TRANSPORT AGREEMENT,
CONSENSUS OF JUNE 9 MEETING BETWEEN DEPARTMENT, CAB AND
PAN AM AGREED WITH EMBASSY'S TIMELY ASSESSMENT THAT
OPERATIONAL AND ECONOMIC PROBLEMS PAN AM FACES IN BUCHAREST
EXTEND BEYOND DECREE 81 AND SOLUTION TO THESE DIFFICULTIES

MUST BE SOUGHT IN CONTEXT OF EXTENSION OF AIR TRANSPORT AGREEMENT. WE AGREED THAT TACTICALLY OUR FIRST MOVE SHOULD BE TO WITHDRAW OUR OUTSTANDING NOTE AND BELIEVE EMBASSY REPRESENTATION TO APPROPRIATE GOR AUTHORITIES WOULD BE MOST SUITABLE AVENUE. SUGGEST TEXT OF NOTE BELOW BE PRESENTED AT EARLIEST OPPORTUNITY. DEPARTMENT WILL MAKE PARALLEL APPROACH TO ROMANIAN EMBASSY (PROBABLY TO IONITA) OUTLINING REASONS FOR WITHDRAWAL OF MARCH 23 NOTE AND EMPHASIZING SERIOUSNESS OF USG INTEREST.

3. DEPARTMENT AND CAB WILL CONSIDER REVISION OF PROPOSAL TO EXTEND ATA WITH A VIEW TOWARD ALLOWING PAN AM GREATER DEGREE OF CONTROL OVER TAROM OPERATIONS IN THE US, GENERALLY FOLLOWING THE MODELS OF CZECH AND YUGOSLAV AGREEMENTS. FOR EXAMPLE, WE PLAN TO DESIGNATE PAN AM AS TAROM'S EXCLUSIVE AND MANDATORY SALES AGENT IN U.S. DEPARTMENT WOULD APPRECIATE ANY FURTHER EMBASSY THOUGHTS ON POINTS WHICH SHOULD BE ADDRESSED IN REVISED NOTE.

4. EMBASSY REQUESTED TO PRESENT NOTE INCORPORATING FOLLOWING TEXT TO GOR AUTHORITIES STRESSING USG DISSATISFACTION WITH CURRENT TAROM PERFORMANCE AND USG INTENTION TO REACH EQUITABLE AND BALANCED CIVIL AIR RELATIONSHIP. (FYI: WE ARE HOPEFUL OF HAVING REVISED DRAFT NOTE SHORTLY, PERHAPS WITHIN ONE WEEK).

5. BEGIN TEXT....REFERS TO THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA
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SIGNED AT WASHINGTON ON DECEMBER 4, 1973 AND THE DEPARTMENT OF STATE'S DIPLOMATIC NOTE OF MARCH 23, 1977 PROPOSING AN EXTENSION OF THE AGREEMENT FOR A PERIOD OF TWO YEARS.

IT HAS BEEN BROUGHT TO THE ATTENTION OF THE DEPARTMENT OF STATE THAT THE CONDITIONS UPON WHICH THE UNITED STATES GOVERNMENT BASED ITS PROPOSAL TO EXTEND THE AIR TRANSPORT AGREEMENT ARE NOT BEING FULFILLED. ACCORDING TO INFORMATION PROVIDED TO THE DEPARTMENT OF STATE, TAROM-ROMANIAN AIR TRANSPORT IS NOT MEETING ITS COMMITMENTS UNDER THE AIRLINE UNDERSTANDINGS OF NOVEMBER 17, 1976 AND JANUARY 26, 1977. SPECIFICALLY, AFTER AN INITIAL PERIOD OF COMPLIANCE, TAROM HAS BEEN SYSTEMATICALLY REFUSING TO ISSUE TRANSPORTATION DOCUMENTS FOR ROMANIAN CURRENCY IN THE MANNER AGREED IN THE INTER-AIRLINE MEMORANDUM OF NOVEMBER 17, 1976 AND AS REQUIRED BY PARAGRAPH 2 B OF THE DECEMBER 4, 1973 EXCHANGE OF NOTES ATTACHED TO THE AIR TRANSPORT AGREEMENT.

FURTHERMORE, AFTER FIVE MONTHS OF EXPERIENCE, TAROM HAS FAILED BY A WIDE MARGIN TO PRODUCE ROMANIAN ORIGINATING TRANSATLANTIC TRAFFIC ON PAN AMERICAN WORLD AIRWAYS AT A RATE WHICH WILL RESULT IN COMPLIANCE WITH THE QUOTA AGREED IN THE INTER-AIRLINE ARRANGEMENT OF JANUARY 26, 1977.

THE UNITED STATES GOVERNMENT REQUESTED AIRLINE DISCUSSIONS BETWEEN PAN AMERICAN WORLD AIRWAYS AND TAROM LATE IN 1976 TO ALLOW THE AIRLINES TO WORK OUT AN EQUITABLE ADJUSTMENT TO THE SEVERE IMBALANCE OF ECONOMIC BENEFITS WHICH HAS EXISTED FOR SOME TIME IN TAROM'S FAVOR. IT HAD BEEN THE UNITED STATES GOVERNMENT'S HOPE AND BELIEF THAT THE INTER-AIRLINE UNDERSTANDINGS RESULTING FROM THESE DISCUSSIONS AND REFERRED TO ABOVE WOULD ADEQUATELY RESOLVE THIS PROBLEM. THE UNITED STATES PROPOSAL OF MARCH 23, 1977 WAS THUS BASED ON ITS EXPECTATION THAT THE GOVERNMENT OF ROMANIA WOULD WORK TO RESOLVE THE PROBLEM OF IMBALANCE
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OF ECONOMIC BENEFITS.

BASED ON THE INFORMATION OUTLINED ABOVE, THE DEPARTMENT OF STATE BELIEVES THAT THE ENDEMIC IMBALANCE OF ECONOMIC BENEFITS UNDER THE NOW EXPIRED AIR TRANSPORT AGREEMENT WILL NOT BE AMELIORATED AS HOPED AND THEREFORE FINDS THAT THE UNITED STATES GOVERNMENT IS UNABLE TO MAINTAIN THE PROPOSAL CONTAINED IN THE DIPLOMATIC NOTE OF MARCH 23, 1977. THE UNITED STATES GOVERNMENT HEREBY NOTIFIES THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA OF ITS DISAPPOINTMENT WITH THE CURRENT FAILURE OF THE ROMANIAN AIRLINE TO LIVE UP TO ITS COMMITMENTS AND, THEREFORE, WITHDRAWS ITS PROPOSAL OF MARCH 23, 1977 TO EXTEND THE AIR TRANSPORT AGREEMENT. THE UNITED STATES GOVERNMENT, AFTER FURTHER REVIEW OF THE SITUATION, WILL OFFER A REVISED PROPOSAL IN THE NEAR FUTURE. END TEXT
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Message Attributes

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Concepts: AIR TRANSPORTATION, TEXT, AVIATION AGREEMENTS
Control Number: n/a
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Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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